

Message Text

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FM AMEMBASSY NEW DELHI

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INFO AMEMBASSY ISLAMABAD

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AMCONSUL CALCUTTA

AMCONSUL KARACHI

AMCONSUL MADRAS

UNCLAS NEW DELHI 6457

E.O. 11652: N/A

TAGS: BEXP, IN

SUBJECT: MARKET RESEARCH

REF: A) STATE 78712; B) NEW DELHI 2656; C) NEW DELHI 10028,
AUG 29, 1973.

SUMMARY: WE RECOMMEND THE FOLLOWING PRODUCT CATEGORIES (IN DESCENDING ORDER OF IMPORTANCE) AS CANDIDATES FOR MARKET RESEARCH ACTIVITY IN FY 75: OIL FIELD MACHINERY, CHEMICAL PLANT MACHINERY AIRPORT EQUIPMENT, MACHINERY FOR THE PULP AND PAPER INDUSTRY, LEATHER FINISHING MACHINERY, COMPUTER PERIPHERALS, PRINTING EQUIPMENT, ROLLING MILL MACHINERY, HOSPITAL AND HEALTH CARE EQUIPMENT AND FOUNDRY . WE ALSO BELIEVE THAT ADDITIONAL, MORE FOCUSED RESEARCH BE CONDUCTED IN SOME OF THE BROAD PRODUCT CATEGORIES WHICH HAVE ALREADY BEEN COVERED BY STUDIES SUCH AS POWER EQUIPMENT, AND MINING, EARTH MOVING AND CONSTRUCTION EQUIPMENT. END SUMMARY.

1. THE EMBASSY AND THE CONSTITUENT POSTS HAVE IDENTIFIED SEVERAL PRODUCT CATEGORIES WHICH COULD BE THE SUBJECTS OF MARKET
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RSESEARCH STUDIES CONDUCTED DURING FY 1975. THE PRODUCT CATE-

GORIES ARE LISTED IN DESCENDING ORDER OF IMPORTANCE. SOME MAY ONLY JUSTIFY A CATALOG SHOW ONCE THE RESEARCH IS COMPLETED.

2. OIL FIELD MACHINERY (DRILLING, LIFTING, PRODUCTION AND SURVEYING EQUIPMENT BOTH OFFSHORE AND ONSHORE). THIS CATEGORY ENJOYS A VERY HIGH PRIORITY IN INDIA'S FOREIGN EXCHANGE BUDGET BECAUSE OF THE COUNTRY'S HEAVY DEPENDENCE ON COSTLY CRUDE OIL IMPORTS. THE GOI IS ACTIVELY SHOPPING FOR OIL FIELD EQUIPMENT AND THIS TIME ONLYLY BEST WILL DO.

3. SPECIALIZED CHEMICAL PLANT MACHINERY AND EQUIPMENT. THIS PRODUCT CATEGORY WAS IDENTIFIED IN REF B AS AREA FOR GOOD POTENTIAL ASALES. COAL GASIFICATION EQUIPMENT AND TECHNOLOGY FOR THE FERTILIZER INDUSTRY AND SPECIALIZED MACHINERY FOR PROCESSING OF INORGANIC CHMEMICALS ARE HIGH ON THE GOI SHOPPING LIST.

4. AIRPORT EQUIPMENT (ATC, ILS, PASSENGER AND FREIGHT HANDLING). INDIAN CIVIL AVIATION AUTHORIES ARE COMMITTED TO AN AMBITIOUS PROGRAM OF UPDATING FACILITIES AT INDIA'S FOUR MAJOR AIRPORTS AND SEVERAL MINOR AIRPORTS. AIRPORT LIGHTING SYSTEMS AND ILS EQUIPMENT ARE THE HIGHSEST PRIORITY ITEMS. BUT THERE IS ALSO CONSIDERABLE INTEREST IN MODERNIZING PASSENGER AND CARGO HANDLING FACILITIES.

5. MACHINERY FOR THE PULP AND PAPER INDUSTRY. THIS IS A RAPIDLY EXPANDING SECTOR WHERE BOTH IMPOTRTED EQUIPMENT AND FOREIGN INVESTMENT ARE WELCOME. HIGH PRIORITY IS BEING GIVEN TO PRODUCTION OF NEWSPRINT AND RAYON GRADE PULP.

6. LEATHER FINISHING MACHINERY. THE GOI HAS DECIDED TO INCREASE EXPORT EARNINGS OF LEATHER GOODS BY ENCOURAGING THE ESTABLISHMENT OF A FINISHED GOODS INDUSTRY AND BY DISCOURAGING THE EXPORT OF SEMI FINISHED PRODUCTS. THERE IS POTENTIALLY A VERY LARGE MARKET FOR GOOD QUALITY FINISHED LEATHER GOODS FROM INDIA. FINISHING MACHINERY IS NOT MANUFACTURED HERE AND SIZEABLE IMPORTS WILL BE REQUIRED TO SET UP A LOCAL INDUSTRY.

7. COMPUTER PERIPHERALS. THE GOI HAS LAUNCHED A MAJOR PROGRAM FOR MANUFACTURE OF MINI AND MEDIUM SIZED COMPUTERS. GOAL IS ESTABLISHMENT OF 200 SYSTEMS. THIS NEW INDUSTRY WILL BE 100 PERCENT DEPENDENT ON IMPORTS OF PEIPHERALS FOR SEVERAL YEARS (TELE-UNCLASSIFIED

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TYPE WRITERS, PAPER TAPE PUNCH AND READERS, MAGNETIC TAPES AND TAPE HANDLERS).

8. PRNINTING MACHINERY. WE BELIEVE MARKET RESEACH IN THIS AREA WILL UNCOVER A CONSIDERABLE DEMAND FOR NEWER, MORE SPECIALIZED MACHINERY REQUIRED FOR MODERNIZATION.

9. ROLLING MILL MACHINERY (HOT AND COLD ROLLING, INCLUDING TUBE

MILL MACHINERY). ALOT OF MONEY HAS BEEN INVESTED IN SMALL STEEL REROLLING FACILITIES IN INDIA AND MILL OWNERS ARE IN THE MARKET FOR MODERN EQUIPMENT. THERE IS ALSO A GRETAT DEAL OF INTEREST IN CONTINUOUS CAST ALUMINUM MILLS AND FOIL MILLS. THE GOI HAS ENCOURAGED EXPANSION OF ROLLING MILLS. ALTHOUGH THE CURRENT POWER SHORTAGE HAS AFFECTED IN THIS SECTOR.

10. HOSPITAL AND HEALTH CARE EQUIPMENT. THIS CATEGORY MERITS MARKET RESERCH BECAUSE OF THE INTEREST OF INDIA'S MAJOR HOSPITALS IN OBTAINING UP-TO-DATE SPECIALIZED EQUIPMENT.

11. FOUNDRY MACHINERY AND EQUIPMENT INCLUDING INDUSTRIAL FURNACES AND OVENS. INDIA HAS A GREAT EXPORT POTENTIAL IN THE AREA OF CASTINGS AND THIS AUGURS WELL FOR SALES OF HIGH QUALITY SOPHISTICATED FOUNDRY EQUIPMENT.

12. WITH THE LISTING OF THESE TEN PRODUCT CATEGORIES WE HAVE MORE OR LESS SHOT OUR BOLT FOR THE FOLLOWING REASONS: A) THE CONSUMER AREA IS OUT AT LEAST FOR THE PRESENT-IMPORTS OF MOST OF THE ITEMS IN THIS AREA RE BANNED; B) INDIAN MANUFACTURES A SUPRISNINGLY WIDE RANGE OF MACHINERY OF GOOD QUALITY AND THEREFORE GENERALLY NEEDS TO IMPORT ONLY TECHNOLOGICALLY NEW AND SOPHISTICATED GOODS; AND C) SOME OF THE PREVIOUS MARKET STUDIES ASSIGNED BY THE DEPARTMENT VERY BROAD. FOR EXAMPLE THE RECENTLY COMPLETED STUDY ON MINING, EARTHMOVING, AND CONSTRUCTION EQUIPMENT MIGHT HAVE BEEN BETTER SEPARATED INTO TWO CATEGORIES.

13. FOR OUR NEXT ACT (FY 76) THEREFORE WE CRECOMMEND GOING BACK TO REPEAT CERTAIN STUDIES WHERE INDIAN NEEDS ARE GREAT AND CONTINUING

. MINING IS ONE AREA AND ELECTRIC POWER GENERATOION, TRANSMISSION, AND DISTRIBUTION IS ANOTHER WHERE A DEEPER REFINEMENT AND A SHARPER SELECTION OF TARGETS (NOT JUST A SIMPLE UPDATING) WOULD
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BE WORTHWHILE.SCHNEIDER

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